



**ELEVENTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS**

**From The Office Of State Auditor
Claire McCaskill**

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AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 2004

The following audit report presents our findings and recommendations for certain municipal divisions of the Eleventh Judicial Circuit. During our audit, we identified accounting records, controls, and certain management practices which we believe could be improved. The municipal divisions in which specific findings and recommendations were noted are listed below:

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ELEVENTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Presiding Judge
and
Municipal Judges
Eleventh Judicial Circuit

We have audited certain operations of the municipal divisions of the Eleventh Judicial Circuit. The scope of this audit included, but was not necessarily limited to, the municipal divisions' 2 years ended September 30, 2003, August 31, 2003, June 30, 2003, or December 31, 2002. The objectives of this audit were to:

1. Review internal controls over significant financial functions.
2. Review compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology to accomplish these objectives included reviewing written policies, financial records, and other pertinent documents; interviewing various personnel of the municipal divisions, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed

and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal divisions' management and was not subjected to the procedures applied in the audit of those divisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the municipal divisions of the Eleventh Judicial Circuit.



Claire McCaskill
State Auditor

January 30, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Kenneth W. Kuster, CPA
Audit Manager: Debra S. Lewis, CPA
Audit Staff: A. Ash
B. Simpson
Monique Williams, CPA
Carl E. Zilch, Jr.

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

ELEVENTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.

Town of Augusta Municipal Division

Fines and court costs received are not transmitted to the city on a timely basis, Crime Victims' Compensation and Peace Officer Standards and Training Commission fees were not remitted to the state and city properly, and the municipal division is not maximizing court revenue by ordering defendants to reimburse the costs associated with drug or alcohol related arrests as allowed by state law. In addition, logs of the ticket books assigned and tickets issued could not be located, and neither the municipal division nor the police department maintain adequate records to account for all tickets issued. Also, access to the computer system is not adequately restricted and backup disks are not stored in an off-site location.

A. The following concerns were noted regarding fines and court costs:

- 1) Fine and court costs received are not transmitted to the city on a timely basis. Receipts were transmitted to the City Treasurer approximately once a month and averaged in excess of \$2,000. To adequately safeguard receipts and reduce the risk of loss, theft or misuse of funds, transmittals should be made daily or when accumulated receipts exceed \$100.
- 2) The municipal division assesses and collects Crime Victims' Compensation (CVC) and Peace Officer Standards and Training Commission (POSTC) fees in accordance with state laws; however, some of these fees were not properly remitted to the state and city. Court costs for some cases were not correctly entered in the computer system, which caused the monthly distribution reports to be understated. The municipal division has not established procedures to periodically review the computer data to ensure court costs were being distributed correctly.

Chapter 488, RSMo 2000, provides that such fees shall be remitted to the state within 30 days from receipt. The municipal division should review the distribution reports to determine the amount due to the state and city.

- 3) The municipal division is not maximizing court revenue by ordering defendants to reimburse the costs associated with drug or alcohol related arrests as allowed by Section 488.5334, RSMo 2000. State law allows the court to order the convicted person to reimburse the city for the reasonable cost of making the arrest, including the cost of any chemical test to determine the alcohol or drug content of the person's blood, and the costs

of charging, booking, and holding such person in custody. The recoupment of these arrest costs would aid in maximizing city revenues.

B. The following concerns were noted during our review of tickets:

- 1) Logs of the ticket books assigned to officers and of the tickets issued could not be located. These records were maintained by the Police Chief, who indicated they had been turned over to the Court Clerk when the police force was discontinued in 2003. However, the Court Clerk indicated she did not receive any logs from the police department upon its dissolution. In addition, the Court Clerk stated she has not been able to locate other court records from 2001 and 2000. Supreme Court Rule 8 requires all municipal ordinance case files be maintained for three years after the date of filing, and financial and other records be maintained for five years or upon completion of an audit.
- 2) Neither the municipal division nor the police department maintain adequate records to account for all tickets. The municipal division has a computer system where all tickets received from the police department are entered. The computer system has the capability to list the tickets in numerical sequence along with their dispositions; however, the Court Clerk does not generate the listing or account for the tickets. In July 2003, the city contracted with St. Charles County for police services. The St. Charles County police department maintains a log of tickets issued; however, this log is not compared to tickets turned over to the municipal division.

Without a proper accounting of the numerical sequence and ultimate disposition of traffic and parking tickets, the police department and the municipal division cannot be assured that all tickets issued are properly submitted to the court. A log listing each ticket number, the date issued, and the violator's name would ensure all tickets issued were submitted to the court for processing, properly voided, or not prosecuted. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly. Tickets that are not processed could result in lost revenue to the city and state.

C. Access to the computer system is not adequately restricted and backup disks are not stored at an off-site location. Passwords and user IDs are not required to gain access to the court's computer system.

A unique password should be assigned to each user of the system and should be kept confidential and periodically changed to limit unauthorized access to computer files. Unique passwords help to restrict individuals' access to only those data files and programs they need to accomplish their job. This protects data from

unauthorized access and helps to prevent intentional and unintentional modification, disclosure, or deletion of applicable information.

Also, backup of computer information provides a means for recreating destroyed data. Failure to store the computer backup disks off-site results in the backups being susceptible to the same damage as the original data on the computer. Backup disks should be maintained and stored off-site to provide increased assurance that court data can be recreated.

WE RECOMMEND the town of Augusta Municipal Division:

- A.1. Transmit receipts intact daily or when accumulated receipts exceed \$100.
 2. Remit fees to the state and city in accordance with state laws and develop procedures to review computer reports for accuracy. In addition, the Court Administrator should review the distribution reports to determine the CVC and POSTC fees due to the state and city.
 3. Consider ordering the recoupment of costs on drug or alcohol related arrests.
- B.1. Retain all tickets, case information, and ticket logs in accordance with Supreme Court Rule 8.
 2. Request the county's police department ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all traffic and parking tickets issued.
- C. Evaluate the need to add user IDs and passwords. In addition, the municipal division should ensure backup disks are stored in a secure, off-site location.

AUDITEE'S RESPONSE

The Court Administrator and Municipal Judge provided the following responses:

- A.1. *The court has now opened a bank account. Monies will be receipted and deposited on the days the part-time Court Administrator is in Augusta.*
 2. *The court will work with the computer programmer to look for monies that were distributed incorrectly. This recommendation has already been implemented for current cases. The Court Administrator currently keeps a manual record to ensure these monies are being distributed correctly.*
 3. *This recommendation will be implemented by the next court date.*
- B. *The Court Administrator spoke with the St. Charles County Sheriff's Department to determine what records they keep. The officers share the ticket books for Augusta and*

only one ticket book is in use at a time. A log of the tickets issued and ticket books assigned has not been used, the copies of the tickets are taken to the St. Charles County Sheriff's Department and then brought to the court. The Court Administrator will establish a log of tickets issued to be completed by the officers when they issue a ticket. This will be implemented immediately.

- C. *A computer technician is going to examine the court's computer system and see if a password can be added to the program. Backup copies are now done any time data is entered. A copy is sent to the computer programmer monthly and the Court Administrator keeps a copy.*

2.

City of Cottleville Municipal Division

The duties of receiving and depositing monies, and recording transactions are not adequately segregated. In addition, a formal contingency plan has not been developed, and the municipal division does not backup the computer files daily. Also, neither the municipal division nor the police department maintain adequate records to account for all tickets.

- A. The City Clerk/Court Administrator is primarily responsible for receiving and depositing monies, and recording transactions. As a result, the duties of receiving and depositing monies are not adequately segregated from the recording of transactions. The City Treasurer performs the bank reconciliations for the court accounts. However, there is no supervisory review performed of the Court Administrator's receipt functions.

To adequately safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum there should be documented supervisory review of the reconciliations between receipt slips issued and deposits.

This condition was also noted in our prior report.

- B. A formal contingency plan has not been developed, and the municipal division does not backup the computer files daily. The municipal division has not formally negotiated arrangements for backup facilities in the event of a disaster. Development of a contingency plan should include the plans for a variety of situations, such as both short-term and long-term plans for backup hardware, software, personnel, and power.

The major benefit of thorough contingency planning comes from the ability of the court to recover rapidly from disaster or extraordinary situations that might cause

considerable loss or disruption to the court. Because of the court's increasing degree of reliance on the data processing function, the need for contingency planning is evident.

Also, backup of computer information provides a means for recreating destroyed data. Failure to backup the computer and store the computer backup disks off-site results in the backups being susceptible to the same damage as the original data on the computer. Backup disks should be maintained and stored off-site to provide increased assurance that court data can be recreated.

- C. Neither the municipal division nor the police department maintain adequate records to account for all tickets issued. The municipal division and the police department each have a computer system where all tickets issued are entered. These computer systems have the capability to list the tickets in numerical sequence along with their dispositions; however, neither the Court Administrator nor the police department generate the listing or account for the tickets.

Without a proper accounting of the numerical sequence and ultimate disposition of traffic and parking tickets, the police department and the municipal division cannot be assured all tickets issued are properly submitted to the court. A log listing each ticket number, the date issued, and the violator's name would ensure all tickets issued were submitted to the court for processing, properly voided, or not prosecuted. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly. Tickets that are not processed could result in lost revenue to the city and state.

WE RECOMMEND the city of Cottleville Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipt slips issued and deposits.
- B. Develop a formal contingency plan including arrangements for use of alternative data processing equipment during emergency situations. In addition, the municipal division should ensure backup disks are prepared daily and stored in a secure, off-site location.
- C. Request the police department ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all tickets issued.

AUDITEE'S RESPONSE

The Court Administrator and Municipal Judge provided the following responses:

- A. *This recommendation will be implemented.*

B&C. These recommendations have already been implemented.

3. City of Foristell Municipal Division

The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. In addition, computer passwords are not changed on a periodic basis to ensure confidentiality.

- A. The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo 2000, states a fine of \$25 is to be assessed for all violations of this law, the division was assessing a fine of \$48 on tickets issued for this violation.
- B. Computer passwords are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords effectively limit access to the data files and programs to only those individuals who need access for completion of job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

WE RECOMMEND the city of Foristell Municipal Division:

- A. Assess fines in accordance with state law.
- B. Ensure passwords are periodically changed and remain confidential.

AUDITEE'S RESPONSE

The Court Administrator and Municipal Judge provided the following responses:

- A. *This recommendation has been implemented.*
- B. *A computer technician is going to examine the court's computer system to determine if a password can be added to the system.*

4. City of Lake St. Louis Municipal Division

The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. In addition, computer passwords are not changed on a periodic basis to ensure confidentiality.

- A. The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo 2000, states a fine of \$25 is to be assessed for all violations of this law, the division was assessing a fine of \$25.50 on tickets issued for this violation.
- B. Computer passwords are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords effectively limit access to the data files and programs to only those individuals who need access for completion of job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

WE RECOMMEND the city of Lake St. Louis Municipal Division:

- A. Assess fines in accordance with state law.
- B. Ensure passwords are periodically changed and remain confidential.

AUDITEE'S RESPONSE

The Court Administrator provided the following responses:

- A. *We have already corrected the error and will only be collecting \$25.00 fine and \$24.50 in court costs.*
- B. *This was discussed with the Auditor and advised that because our work stations are tied into the city's server, this request would effect all city employees and would require a special work order and additional costs to the city. It was also discussed that only two employees had access to the court's software program along with Delores McComb (software provider) upon her dialing into the Court Administrator's computer via the modem, which can only be connected and turned on by the Court Administrator. We were also advised that if anyone was able to get into the court's software program, a security feature on the server would have a log of the person attempting access. However, the City has recently purchased a new server and we have been advised by the information technology (IT) person that after the court has moved into their new facility (October), the court will be set up that they will be prompted every 90 days to change passwords.*

5.	City of New Melle Municipal Division
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Bond forms are not prenumbered and open items listings prepared for the bond account were not retained. In addition, procedures to monitor and collect accrued costs could be improved, and the municipal division does not file a monthly report with the city of all cases heard in court. Also, the municipal division is not assessing the CVC fee in

accordance with state law, is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age, and is holding monies in the Judicial Education Fund in excess of the amount allowed by state law. Access to the computer system is not adequately restricted.

A. The following concerns were noted regarding bonds:

- 1) The police department accepts cash for the payment of bonds; however, receipt slips are not issued and bond forms are not prenumbered. The police department maintains a log of bonds received; however, information on the bond log was incomplete. Bonds received in the mail from other municipalities are not recorded on the bond log and information, including the amount of the bond, was missing on some entries.

To adequately account for bond monies and to ensure all bond monies received are properly transmitted to the Court Clerk, prenumbered receipt slips or bond forms should be issued for all bonds received by the police department. In addition, all bond forms and bond information should be recorded in the bond log and the numerical sequence of the bond forms should be accounted for properly.

- 2) Open items listings prepared for the bond account were not retained. In addition, the open items listing prepared for September 30, 2003, was approximately \$43 less than the reconciled bank balance. The Court Clerk indicated the open items listing was prepared each month and agreed to the reconciled bank balance; however, these listings were not retained.

Supreme Court Administrative Rule No. 8 requires that all financial records be maintained for five years or upon completion of an audit. Retention of applicable records is necessary to properly account for all municipal division monies received. In addition, a monthly listing of open items is necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities. Any discrepancies or fluctuations in unidentified monies should be promptly investigated.

Similar conditions were also noted in our prior report.

- B. Procedures to monitor and collect accrued costs could be improved. The division does not prepare a listing of cases with accrued costs and does not always take appropriate action when a case is past due or when a defendant fails to appear in court. Upon our request, the Court Clerk prepared a receivables listing as of September 2003, which included 29 cases totaling approximately \$5,800. This listing did not include cases in warrant status. For three of the five cases reviewed, there was no written payment plan for the defendant, and the two

payment plans reviewed had not been signed by the Judge. In addition, warrants had not been issued for three of four cases where the defendant had failed to make regular payments or appear in court. No other follow-up, including sending letters to request payments or reporting the failure to appear to Department of Revenue (DOR), had been performed on these cases.

Recent legislation has increased the division's opportunities to collect debts owed for court cases:

- Section 488.5028, RSMo Cumulative Supp. 2003, gives courts the right to report debts in excess of twenty-five dollars to the State Courts Administrator's Office and request they seek a setoff of an income tax refund.
- Section 488.5030, RSMo Cumulative Supp. 2003, gives courts the prospect of contracting with a collection agency to pursue past-due court-ordered penalties, fines, restitution, sanctions, and court costs. The statute also allows any fees or costs associated with such collection efforts be added to the amount due, but such fees and costs shall not exceed twenty percent of the amount collected.
- Section 302.341, RSMo 2000, gives courts the authority to forward license suspension information to the DOR for any court cases where the defendant, a Missouri resident, failed to appear or failed to pay the fines and costs assessed for moving violations. Also, Section 544.046, RSMo 2000, allows courts to file a nonresident violator suspension form for non-Missouri residents that will suspend the defendant's drivers license.

The court could also consider reporting the unpaid debt to one or all of the three main credit reporting bureaus. Without the active and timely pursuit of accrued costs, revenues to the state and city could be lost. Payment agreements signed by the defendant and approved by the Judge, formalize the liability to the municipal division and could aid in the collection of the amounts owed. Proper and timely issuance of warrants for amounts due to the court helps to maximize court revenue along with providing equitable treatment for those citizens who are paying fines and court costs when due.

- C. The municipal division does not file a monthly report with the city of all cases heard in court. Section 479.080.3, RSMo 2000, requires the Court Clerk to prepare a monthly listing of all cases heard in court, including fines and court costs collected, to be verified by the Clerk or Municipal Judge and filed with the City Clerk.

D. The following concerns were noted regarding fines and costs:

- 1) The municipal division is not assessing CVC fees in accordance with state law. The division assesses \$7 to each court case for CVC instead of the \$7.50 required by Sections 595.045 and 488.5339, RSMo 2000. The court distributes \$7.13 to the state's CVC fund as required. The division withdraws \$.13 for each municipal case from the City's general revenue fund to remit the correct amount of CVC costs to the state monthly and does not retain any monies for the city's CVC fund.
- 2) The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo 2000, states a fine of \$25 is to be assessed for all violations of this law, the division was assessing a fine of \$40 on tickets issued for this violation.
- 3) The municipal division is holding monies in the Judicial Education Fund in excess of the amount allowed by state law. As of September 17, 2003, the division was holding \$3,200 in the Judicial Education Fund. Section 479.260.1, RSMo 2000, authorizes the division to hold \$1,500 per division employee in the Judicial Education Fund to cover the costs of trainings. Excess amounts are to be remitted to the city on a quarterly basis.

E. Access to the computer system is not adequately restricted. Passwords are not kept confidential and changed periodically.

A unique password should be assigned to each user of the system and should be kept confidential and periodically be changed to limit unauthorized access to computer files. Unique passwords help to restrict individuals' access to only those data files and programs they need to accomplish their job. This protects data from unauthorized access and helps to prevent intentional and unintentional modification, disclosure, or deletion of applicable information.

WE RECOMMEND the city of New Melle Municipal Division:

- A.1. Request that the police department issue prenumbered receipt slips or bond forms for bonds received and account for their numerical sequence. In addition, the division should request the police department maintain a complete bond log.
2. Ensure all municipal division financial records are appropriately retained. In addition, monthly listings of open items should be reconciled to monies held in trust. Any discrepancies or unusual fluctuations should be promptly investigated. In addition, the reason for the apparent overage should be investigated by reviewing all open bonds.

- B. Make a greater effort to pursue collection of accrued costs and ensure warrants are issued in a timely manner to those who fail to comply with the terms of a pay order or who fail to appear for court. In addition, signed payment plans should be obtained and approved by the Judge from all defendants.
- C. Prepare monthly reports of cases heard in court and file these with the city in accordance with state law.
- D.1. Assess court costs in accordance with state law.
 - 2. Assess fines in accordance with state law.
 - 3. Remit excess monies held in the Judicial Education fund to the city quarterly.
- E. Ensure passwords are not shared and remain confidential.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A.1. *Implemented. Bond forms are now numbered and a bond log is maintained.*
 - 2. *Implemented. Bond open items lists are retained and reconciled each month.*
- B. *Implemented. Accounts are reviewed each month and correspondence sent to persons whose accounts are not paid. Cards are sent to persons who fail to appear, followed up by issuance of Failure to Appear tickets and warrants. The Judge approves and signs payment plan forms.*
- C. *Court dockets and a profit and loss statement for the court are on file at city hall. A more detailed report will be implemented with the installation of the Computerized Court System.*
- D. *Implemented.*
- E. *Implemented. Passwords are known only to the City/Court Clerk and the Bookkeeper.*

6.

City of St. Charles Municipal Division

Receipts are not deposited on a timely basis and the municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. In addition, neither the municipal division nor the police department maintain adequate records to account for all tickets.

- A. Fines and court costs received are not deposited on a timely basis. Receipts were held up to six days before being deposited. In addition, bond monies received by the police department are only retrieved from the lockbox by the court twice a week. To adequately safeguard receipts and reduce the risk of loss, theft or misuse of funds, deposits should be made daily or when accumulated receipts exceed \$100.
- B. The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo 2000, states a fine of \$25 is to be assessed for all violations of this law, the division was assessing a fine of \$30 on tickets issued for this violation.
- C. Neither the municipal division nor the police department maintain adequate records to account for all tickets. The municipal division and the police department each have a computer system where all traffic and parking tickets issued are entered. These computer systems have the capability to list the tickets in numerical sequence along with their dispositions; however, neither the Court Administrator nor the police department generate the listing or account for the tickets. In addition, ticket books are not always assigned in numerical order.

Without a proper accounting of the numerical sequence and ultimate disposition of traffic and parking tickets, the police department and the municipal division cannot be assured that all tickets issued are properly submitted to the court. A log listing each ticket number, the date issued, and the violator's name would ensure all tickets issued were submitted to the court for processing, properly voided, or not prosecuted. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly. Tickets that are not processed could result in lost revenue to the city and state.

Conditions A and C were also noted in our prior report.

WE RECOMMEND the city of St. Charles Municipal Division:

- A. Deposit receipts intact daily or when accumulated receipts exceed \$100.
- B. Assess fines in accordance with state law.
- C. Request the police department ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all traffic and parking tickets issued. In addition, the division should request the police department assign traffic ticket books to officers in numerical order.

AUDITEE'S RESPONSE

The Court Administrator and Municipal Judge provided the following responses:

- A. Partially implemented and will be completely implemented in September 2004, when they acquire the receipting system for their computer system. They will work on getting bonds deposited more frequently. Staffing and the reconciliation between the police department records and court records make it difficult to deposit bond monies daily.*
- B. Implemented.*
- C. The Court feels this is not part of their job but they have spoken with the police department regarding this issue. The Court analysis is based on an opinion letter from the Office of State Courts Administrator which states that a municipal court should not track the ticket information. The police Record's department tracks the issued tickets whether they are transferred to the municipal division or Associate Court and the police department has indicated to the Court Administrator that they will also provide the Record's department a list of the voided tickets so all the ticket information will be in one database.*

7.

City of St. Peters Municipal Division

The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. In addition, neither the municipal division nor the police department maintain adequate records to account for all tickets, and computer passwords are not kept confidential.

- A. The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo 2000, states a fine of \$25 is to be assessed for all violations of this law, the division was assessing a fine of \$48 on tickets issued for this violation.
- B. Neither the municipal division nor the police department maintain adequate records to account for all tickets. The police department maintains manual logs of the ticket books assigned to each officer. The municipal division has a computer system where all tickets issued are entered. This computer system has the capability to list the tickets in numerical sequence along with their dispositions; however, the Court Administrator does not generate the listing or account for the tickets.

Without a proper accounting of the numerical sequence and ultimate disposition of tickets, the police department and the municipal division cannot be assured all tickets issued are properly submitted to the court. A log listing each ticket number, the date issued, and the violator's name would ensure all tickets issued were submitted to the court for processing, properly voided, or not prosecuted. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly. Tickets that are not processed could result in lost revenue to the city and state.

This condition was also noted in our prior report.

- C. Computer passwords are not kept confidential. As a result, there is less assurance that passwords effectively limit access to the data files and programs to only those individuals who need access for completion of job responsibilities. Passwords should be kept confidential, be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

WE RECOMMEND the city of St. Peters Municipal Division:

- A. Assess fines in accordance with state law.
- B. Request the police department ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all tickets issued.
- C. Ensure passwords are periodically changed and remain confidential.

AUDITEE'S RESPONSE

The Court Administrator and Municipal Judge provided the following responses:

- A. *Relative to Section 210.104.2, RSMo, the fine assessed by our municipal division is \$25.00, with additional court costs. The Court has modified this amount to \$47.50 accordingly, effective July 12, 2004. The Court will assess fines in accordance with state law.*
- B. *The City's Police Department/Records issues and maintains all summons for the city under a Police Citation Tracking Process that includes citation ledgers. Municipal division enters into its computerized system all tickets written to the municipal division and the Associate Circuit Court. A listing of all tickets and dispositions of same are available from the court's system, and is provided upon request. Limited access to the court's computerized system is available to the Police Records staff on a "read-only" basis. This access and reporting capabilities allows the Police staff to maintain proper accounting of the numerical sequence and ultimate disposition of tickets, and confirmation of citation ledgers. The court has actively pursued court software enhancements to streamline the transfer of data and communications between the*

municipal division and the Police Department, as a budgetary goal for the year 2003-2004. The court will request the police department provide them with a report that confirms they have accounted for all the tickets.

- C. *Policy #505-F of the City's Personnel Policies and Procedures, effective since June 23, 2000, prohibits the unauthorized use of the passwords of other employees to gain access to other employee's computer files, as well as e-mail or voicemail messages. The City's computerized systems require periodically changing of passwords to ensure such confidentiality. This policy and related procedures are in place to ensure password security and integrity of the files/records/messages and are applicable to the Municipal Court offices. The City's municipal division staff does adhere to such policies and grounds for disciplinary action up to and including discharge.*

8. City of Weldon Spring Municipal Division
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Receipts are not deposited on a timely basis, a court order has not issued to formally establish the violations bureau, and the municipal division is not assessing CVC or POSTC fees in compliance with state law. In addition, computer passwords are not changed on a periodic basis to ensure confidentiality, and code violation forms issued are not prenumbered by the printer.

- A. Fine and court costs received are not deposited on a timely basis. Receipts are locked in the City Treasurer's safe daily, however, deposits are only made approximately twice a week. To adequately safeguard receipts and reduce the risk of loss, theft or misuse of funds, deposits should be made daily or when accumulated receipts exceed \$100.
- B. While the city has established a Violations Bureau that allows offenses to be paid prior to the court date, the Municipal Judge has not issued a court order to formally establish the violations bureau. Supreme Court Rule 37.49(a) allows for the establishment of a violations bureau by a court order prepared by the Municipal Judge.
- C. The municipal division is not assessing CVC or POSTC fees in compliance with state law. Section 595.045, RSMo Cumulative Supp. 2003, states a surcharge of seven dollars and fifty cents shall be assessed as costs in each court proceeding filed in any court in the state in all criminal cases including violations of any county ordinance or any violation of criminal or traffic laws of the state, including an infraction and violation of a municipal ordinance. Section 488.5336, RSMo Cumulative Supp. 2003, states a surcharge in the amount of one dollar shall be assessed and disbursed to the state treasury to the credit of the peace officer standards and training commission fund.
- D. Computer passwords are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords effectively limit access to the

data files and programs to only those individuals who need access for completion of job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

- E. Code violation forms issued are not prenumbered by the printer. The forms are manually numbered by the Court Clerk when she receives them from the Code Enforcement officer. The number assigned by the Court Clerk serves as the case number.

To ensure all code violation forms are properly submitted to the court, prenumbered code violation forms should be issued and their numerical sequence accounted for properly. A log listing each code violation number, the date issued, and the violator's name would ensure all forms issued were properly submitted to the court for processing, or properly voided.

WE RECOMMEND the city of Weldon Spring Municipal Division:

- A. Request the City Treasurer deposit receipts intact daily or when accumulated receipts exceed \$100.
- B. Issue a court order to formally establish the violations bureau.
- C. Assess court costs in accordance with state law.
- D. Ensure passwords are periodically changed and remain confidential.
- E. Request that the code enforcement officer issue prenumbered code violation forms. In addition, ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all code enforcement forms issued.

AUDITEE'S RESPONSE

The Court Clerk provided the following responses:

- A. *This has been discussed with the City Administrator. The city will try to do better but they do not think that they will be able to deposit daily because the City Treasurer is part-time. They will consider having the Court Clerk make the deposits daily and give the paperwork to the City Treasurer.*
- B. *The court will implement this recommendation..*
- C. *The court did not realize they had to charge these fees. We will consult with the City Attorney to determine if the city has to pass an ordinance and will implement this recommendation.*

- D. *The Court Clerk has changed her password and she will continue changing it periodically.*
- E. *The Court Clerk will check on using the Missouri Citation forms and using prenumbered forms like they use now and obtain prices. The Judge, Court Clerk, and City Administrator will look at the information and evaluate the best option for them.*

9.

City of Wentzville Municipal Division

The municipal division has not implemented adequate procedures to follow up on outstanding checks held in the bond account, and the municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. In addition, duties of receiving, depositing, disbursing and recording bond monies are not adequately segregated, access to the computer system is not adequately restricted, and a formal contingency plan has not been developed. Also, neither the municipal division nor the police department maintain adequate records to account for all violations.

- A. The municipal division has not implemented adequate procedures to follow up on outstanding checks held in the bond account. During our review, we noted several outstanding checks had remained in the division's bond account in excess of one year.

An attempt should be made to determine the proper disposition of these monies. Outstanding or unclaimed checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. If payees cannot be located, Sections 447.550 through 447.585, RSMo 2000, which relate to unclaimed property, should be used to disburse these monies.

- B. The municipal division assesses and collects CVC and POSTC fees in accordance with state laws; however, these fees are not remitted to the state on a timely basis. Fees collected were remitted to the state approximately twice a year. Chapter 488, RSMo 2000, provides that such fees shall be remitted to the state within 30 days from receipt.
- C. The municipal division is assessing a fine in excess of the state allowable amount regarding violations of passenger restraint system requirements for children under four years of age. While Section 210.104.2, RSMo 2000, states a fine of \$25 is to be assessed for all violations of this law, the division was assessing a fine of \$50 on tickets issued for this violation.

D. Our review of the controls over bond receipts noted the following concerns:

- 1) The Court Administrator is primarily responsible for receiving, depositing, and disbursing bond monies, recording bond transactions, and preparing the bank reconciliation. As a result, duties are not adequately segregated. In addition, there is no supervisory review performed of the Court Administrator's functions.

To adequately safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum there should be documented independent comparison of receipt slips issued to amounts deposited and an independent review of bank statements and reconciliations.

- 2) The method of payment (i.e. cash, check, money order) is not recorded on the bond forms. To ensure receipts are handled properly, the method of payment received should be indicated on each bond form and the composition (cash and checks) should be reconciled to the composition of bank deposits.

This condition was also noted in our prior report.

- 3) The police department does not maintain a log of the bonds collected for the municipal division and other entities. In addition, neither the police department nor the court accounts for the numerical sequence of bonds forms issued for monies collected.

Without a proper accounting of the numerical sequence of bonds collected, the police department and court cannot be assured that all bonds collected are properly submitted to the court for processing. A complete and accurate bond log should be maintained and include the bond number, whether the bond was in cash or was a surety bond, and the amount of the bond.

E. Access to the computer system is not adequately restricted and a formal contingency plan has not been developed. Passwords are not kept confidential and changed periodically. In addition, the court has not formally negotiated arrangements for use of backup facilities in the event of a disaster. Development of a contingency plan should include the plans for a variety of situations, such as both short-term and long-term plans for backup hardware, software, personnel, and power.

A unique password should be assigned to each user of the system and should be kept confidential and periodically be changed to limit unauthorized access to computer files. Unique passwords help to restrict individuals' access to only those data files and programs they need to accomplish their job. This protects data from unauthorized access and helps to prevent intentional and unintentional modification, disclosure, or deletion of applicable information.

The major benefit of thorough contingency planning comes from the ability of the division to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the division. Because of the division's plans to obtain new court software and the increased reliance on the data processing function this will cause, the need for contingency planning is evident.

- F. Neither the municipal division nor the police department maintain adequate records to account for all violations. The municipal division and the police department each have a computer system where all summonses and traffic tickets issued are entered. These computer systems have the capability to list the violations in numerical sequence along with their dispositions; however, neither the Court Administrator nor the police department generate the listing or account for the violations.

Without a proper accounting of the numerical sequence and ultimate disposition of violations, the police department and the municipal division cannot be assured that all violations are properly submitted to the court. A log listing each violation number, the date issued, and the violator's name would ensure all violations were submitted to the court for processing, properly voided, or not prosecuted. A record of the ultimate disposition of each violation should also be maintained to ensure all violations have been accounted for properly. Violations that are not processed could result in lost revenue to the city and state.

WE RECOMMEND the city of Wentzville Municipal Division:

- A. Periodically review outstanding checks to determine if the payees can be located and if the checks can be reissued. If payees cannot be located, the monies should be disbursed to the state's Unclaimed Property Section.
- B. Remit CVC and POSTC fees to the state in accordance with state laws.
- C. Assess fines in accordance with state law.
- D.1. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and deposits.
- 2. Ensure the method of payment is recorded on each bond form and the composition of receipts is reconciled to the composition of bank deposits.

3. Request that the police department maintain a bond log and account for the numerical sequence of all bond forms used.
- E. Ensure passwords are not shared and remain confidential. In addition, develop a formal contingency plan for the court's computer system.
- F. Request the police department ensure adequate documentation is maintained to account for the numerical sequence and ultimate disposition of all tickets issued.

AUDITEE'S RESPONSE

The Court Administrator and Municipal Judge provided the following responses:

- A. *Implemented. Any outstanding checks more than a year old were turned over to the city on January 15, 2004.*
- B. *Implemented. CVC and POSTC fees are now paid on a more timely basis.*
- C. *Implemented. Our fine schedule has been changed.*
- D.1. *Implemented. The receiving, depositing, and accounting of all bond monies is now segregated. There has always been an independent review of bank statements and reconciliations made by the finance department.*
 2. *The method of payment is recorded on the bond form. The court only allows cash or surety and both methods are listed. When the money is deposited, the checks and cash are noted on the deposit slips. The court's bank considers money orders as cash and the only checks they receive are from other municipalities.*
 3. *A log initiated by the court is now being used by the police department which will account for the numerical sequence of all bonds received for this court only.*
- E. *The court feels this is not a logical recommendation when clerks share computers. They often have to use each other's computers; therefore, confidential passwords cannot be implemented. Any formal contingency plan for the court's computer system is handled through the city's IT manager.*
- F. *The accounting of the numerical sequence of all tickets is the responsibility of the police department according to the model traffic code section 300.025. The court provides the police department with department statistics and a copy of the docket. Since the police department writes the tickets and not the court, they are accountable for the tickets.*

FOLLOW-UP ON PRIOR AUDIT FINDINGS

ELEVENTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the municipal divisions of the Eleventh Judicial Circuit on findings in the Management Advisory Report (MAR) of our prior audit report issued for the 2 years ended March 31, 1994, December 31, 1993, or September 30, 1993; our report on the city of Cottleville Municipal Division for the 2 years ended December 31, 1998; our report on the city of Foristell Municipal Division for the 2 years ended February 29, 2000; our report on the village of New Melle Municipal Division for the year ended December 31, 1998; and our report on the city of St. Charles Municipal Division for the 2 years ended June 30, 1994.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the municipal divisions should consider implementing those recommendations.

**ELEVENTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
TWO YEARS ENDED 1994 AND 1993**

1. City of Cottleville Municipal Division

- A.1. Court records were not maintained in a manner that allows receipts of court fines and costs to be traced to deposits.
- 2. Receipts slips were not prenumbered.
- 3. Checks and money orders were not restrictively endorsed immediately upon receipt.
- 4. Monthly bank reconciliations were not prepared for the municipal division's fines and costs account.
- 5. A control ledger was not maintained to account for all court monies received.
- B.1. Bond receipts recorded by the Court Clerk exceeded deposits to the bond account.
- 2. A monthly listing of open items was not prepared.
- 3. Monthly bank reconciliations were not prepared for the bond bank account.
- 4. A complete and adequate bond ledger was not maintained.
- 5. Cash bonds received were not always deposited into the municipal division's bond bank account.

6. Bond monies were not picked up from the O'Fallon Police Department and deposited daily.
 7. The municipal division did not account for the numerical sequence of bond forms.
 8. Receipt slips were not issued for bond monies received from other courts or police departments.
 9. Bonds were not forfeited in cases where defendants failed to appear for their court dates.
 10. A personal check was cashed from bond monies.
- C.1. The fine and costs schedule established by the Municipal Judge was not used in assessing fines and costs on cases payable through the Traffic Violations Bureau (TVB).
2. Records of convictions were not always forwarded to the Missouri State Highway Patrol (MSHP).
 3. Courts costs charged were one dollar more than allowed by statute.
 4. Crime Victims Compensation (CVC) and Law Enforcement Training (LET) fees were collected on nonmoving violations.
- D. The change fund on hand was \$25 less than the amount established and no reason for the shortage could be determined.
- E. The municipal division did not receive canceled checks from the bank.
- F. The duties of receiving, recording, and disbursing municipal division monies were not adequately segregated.
- G. Dockets were not prepared for all court dates and were not signed by the judge.
- H. Adequate records were not maintained to document amounts due from defendants.
- I. A court order had not been issued to formally establish the TVB.

Recommendations:

The city of Cottleville Municipal Division:

- A.1. Maintain records so that receipts can be traced to deposits and the composition of recorded receipts should be reconciled to the composition of the bank deposits.

2. Issue prenumbered receipt slips for court fines and costs and account for the numerical sequence.
 3. Restrictively endorse checks and money orders immediately upon receipt.
 4. Prepare monthly bank reconciliations.
 5. Maintain a cash control to record all receipts, indicating the receipt slip number and the date of receipt.
- B.1. Maintain records so that receipts can be traced to deposits and the composition of recorded receipts should be reconciled to the composition of bank deposits.
2. Prepare monthly open items list and reconcile the listing to the book and the bank balances. Any excess monies which cannot be identified should be considered bond forfeitures and paid over to the city.
 3. Prepare monthly bank reconciliations.
 4. Maintain a complete bond ledger to account for bond receipts, forfeitures, refunds and balances. The ledger should be reconciled monthly to the bonds held in trust by the court.
 5. Deposit all cash bonds in the court's bank account and make all subsequent disbursements of the bonds by check.
 6. Pick up bond monies from the police department and deposit them daily or when accumulated bonds exceed \$100.
 7. Account for the numerical sequence of prenumbered bond forms.
 8. Issue prenumbered receipt slips for all bonds received and account for the numerical sequence.
 9. Forfeit bonds as allowed by state law.
 10. Discontinue the practice of cashing personal checks with court monies.
- C.1. Assess fines and court costs in accordance with the schedule established by the judge.
2. Forward convictions on traffic tickets to the MSHP within ten days as required by state law.
 3. Charge court costs in accordance with state law.

- 4. Charge CVC and LET in accordance with state law.
- D. Investigate the shortage and take appropriate actions.
- E. Retain all canceled checks in accordance with the supreme court rule.
- F. Establish an independent, documented periodic review of the municipal division records.
- G. Prepare dockets for all court dates listing each case and the disposition. The dockets should be signed by the judge.
- H. Maintain adequate records to document amounts due from defendants. Periodically the amounts due should be reviewed and proper follow-up action performed.
- I. Issue a court order to formally establish the TVB.

Status:

A, B.1-7,
9, 10,
C, D,
E, G,
H&I. Implemented.

B.8. Not implemented. Although not repeated in the current MAR, our recommendation remains as stated above.

F. Partially implemented. The city treasurer prepares the bank reconciliations for the municipal division's accounts but no other documented review is performed. See MAR finding number 2.A.

2. City of Foristell Municipal Division

See the audit report on the city of Foristell, Missouri, for the Eleventh Judicial Circuit, City of Foristell, Missouri, Municipal Division (report number 2000-86).

3. City of Lake St. Louis Municipal Division

A. Receipt slips issued by the municipal division did not indicate the method of payment received.

B. The Court Clerk and the Deputy Court Clerk were not bonded.

- C. Neither the police department nor the municipal division accounted for traffic tickets and summonses issued and their ultimate disposition.

Recommendations:

The city of Lake St. Louis Municipal Division:

- A. Indicate the method of payment on each receipt slip issued, and reconcile total cash, checks, and money orders received to the composition of the bank deposits.
- B. Request the city obtain bond coverage for the Court Clerk and the Deputy Court Clerk.
- C. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets and summonses assigned and issued by the department.

Status:

Implemented.

4. City of O'Fallon Municipal Division

This division was not within the scope of the current audit. A separate audit of the city of O'Fallon is currently in process.

5. City of Portage Des Sioux Municipal Division

- A.1. Receipt slips were not issued for some monies received and were not issued in numerical sequence nor did the Court Clerk document the receipt slip number on the revenue reports or listing of receipts.
 - 2. Checks and money orders were not restrictively endorsed until the bank deposits were prepared by the City Treasurer.
 - 3. Receipt slips were not obtained from the City Treasurer for municipal division monies transmitted to the city and the amounts received by the Court Clerk were not reconciled to amounts transmitted to the city.
- B. Neither the police department nor the municipal division maintained adequate records to account for traffic tickets issued and their ultimate disposition.
- C. The duties of receiving, recording, and transmitting municipal division monies were not adequately segregated.
- D. The Municipal Judge had not issued a court order to formally establish the TVB.

E. The Court Clerk was not bonded.

Recommendations:

The city of Portage Des Sioux Municipal Division:

- A.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence. In addition, the receipt slip number should be recorded on the listing of receipts.
 2. Restrictively endorse all checks and money orders immediately upon receipt.
 3. Request a receipt slip from the city for amounts transmitted and reconcile receipt slips issued to amounts transmitted to the city.
- B. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets assigned and issued.
- C. Establish an independent, documented periodic review of municipal division records by the Municipal Judge.
- D. Issue a court order to formally establish the TVB.
- E. Request the city obtain bond coverage for the Court Clerk.

Status:

This municipal division was closed after the flood in 1993 and has not re-opened.

6. City of St. Peters Municipal Division

- A.1. Some checks and money orders were not restrictively endorsed until the deposits were prepared.
 2. Voided receipt slips were not properly retained. In addition, corrections or changes were made to some receipt entries, instead of voiding the incorrect entry and issuing a new receipt slip.
 3. Monies received were not deposited to the city's bank account and the bond account on a timely basis.
- B.1. Neither the police department nor the municipal division maintained adequate records to account for traffic and parking tickets issued and their ultimate disposition. In addition, some parking ticket books were assigned to the police officers out of sequence.

2. The municipal division did not indicate all case dispositions on the court docket.
- C. Improvement could be made in the organization and filing of court records. Several case files requested for review could not be initially located by the Court Clerk but were eventually located and provided. However, a total of twenty case files could not be located when fieldwork was completed.
- D. Warrants were not issued on a timely basis.

Recommendations:

The city of St. Peters Municipal Division:

- A.1. Restrictively endorse all checks and money orders immediately upon receipt.
 2. Retain all voided receipt slips and properly void all receipt slips on which errors are made.
 3. Deposit all receipts daily or when accumulated receipts exceed \$100.
- B.1. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets assigned and issued.
 2. Document all case dispositions on the court docket.
- C. Ensure all case records are retained and filed in an organized manner.
- D. Issue warrants in a timely manner to those who fail to comply with the court's orders.

Status:

A, B.2,
C&D. Implemented.

B.1. Partially implemented. The police department maintains a record of the ticket books issued to the officers and on this log they indicate if a ticket book has been returned; however, there is no comparison between the police department and the municipal division to ensure that all tickets issued for municipal violations were properly turned over to the division. See MAR finding number 7.B.

7. City of Wentzville Municipal Division

- A.1. Receipt slips issued by the municipal division did not indicate the method of payments received.

2. Receipts were not deposited into the city's bank account on a timely basis.
- B.1. Receipt slips were not always issued for bond monies received from other courts.
 2. Bond receipts were not deposited on a timely basis.
 3. A bond ledger accounting for bonds received and disbursed, as well as those bond monies held in trust, was not maintained.
 4. The municipal division allowed bond refund checks to be cashed from daily collections, therefore, causing receipts to not be deposited intact.
- C. No follow-up is done to determine what happened to the tickets if a police officer does not turn in a ticket or book of tickets.
- D. The duties of receiving, recording, and depositing municipal division monies were not adequately segregated.

Recommendations:

The city of Wentzville Municipal Division:

- A.1. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to the composition of the bank deposit.
 2. Deposit all receipts daily or when accumulated receipts exceed \$100.
- B.1. Issue prenumbered receipt slips for all bond monies received.
 2. Deposit bond receipts daily or when accumulated receipts exceed \$100.
 3. Establish a bond ledger to account for bond receipts, forfeitures, and refunds as well as the balances of bond monies held in trust.
 4. Discontinue the practice of cashing bond refund checks from daily collections and deposit all receipts intact.
- C. Ensure that all tickets assigned to police officers, whether issued or not, are accounted for properly.
- D. Establish an independent, documented review of municipal division records by the Municipal Judge.

Status:

A.1. Partially implemented. Bond receipt slips do not indicate the method of payment received. See MAR finding number 9.D.2.

A.2,

B.1,

2, 4,

C&D. Implemented.

B.3. Partially implemented. The Court Administrator does not print the monthly bond open items from the computer. Instead, an Excel spreadsheet is being prepared each month. This report is incomplete. Only the owner's name and the amount of the bond received is listed. The bond number and date received is not being tracked manually, although the information is on the computer system. Although not repeated in the current MAR, our recommendation remains as stated above.

**CITY OF COTTLEVILLE, MISSOURI
TWO YEARS ENDED DECEMBER 31, 1998**

7. Municipal Court Division

A. The Court Clerk did not prepare monthly open-items listings of bonds held in the bond account. As of December 31, 1998, the audit prepared open items listing exceeded the bank balance by approximately \$600.

B.1. The duties of receiving, recording, and depositing fine and court cost monies collected by the municipal division were not adequately segregated.

2. The Court Clerk did not account for the numerical sequence of all police department receipt slips issued for fines and costs.

3. No reconciliation was performed between the composition of receipt slips issued and the monies deposited.

C. The court dockets did not always indicate the disposition of all cases.

D. Fines and costs assessed were greater than the fine and cost schedule authorized by the Municipal Judge.

E. Neither the police department nor the municipal division adequately accounted for the numerical sequence and ultimate disposition of tickets issued.

Recommendations:

The city of Cottleville Municipal Division:

- A. Prepare and reconcile monthly open-items listings to the court's bank accounts. In addition, the shortage noted above should be investigated to determine the proper resolution of these monies.
- B.1. Establish a documented review of municipal court division records by an independent person.
 - 2. Account for the numerical sequence of all police department receipt slips and reconcile the composition of receipt slips issued to the composition of monies transmitted.
 - 3. Reconcile the composition of receipt slips issued to the composition of monies deposited.
- C. Require the disposition of all cases to be documented on the court docket and approved by the Municipal Judge.
- D. Assess fines and costs in accordance with the fee schedule authorized by the Municipal Judge.
- E. Work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets issued.

Status:

A, B.3,

C-E. Implemented.

- B.1. Partially implemented. The bank reconciliation for the municipal division's account is reconciled by the City Treasurer; however, no other review of accounting records is performed or documented. See MAR finding number 2.A.
 - 2. This finding is no longer applicable since the police department no longer collects fines and costs for the Court Clerk.

**ELEVENTH JUDICIAL CIRCUIT
CITY OF FORISTELL, MISSOURI
MUNICIPAL DIVISION
TWO YEARS ENDED FEBRUARY 29, 2000**

1. Receipt Procedures

- A. Monies collected were not deposited on a timely basis.
- B. Voided receipt slips were not retained.
- C. A reconciliation of the composition of receipt slips to the composition of deposits by an individual independent of the receiving process was not performed.

Recommendations:

The city of Foristell Municipal Division:

- A. Deposit receipts intact daily or when accumulated receipts exceed \$100.
- B. Retain all voided receipt slips.
- C. Establish a documented review of the reconciliation of the composition of receipt slips to the composition of deposits by an independent person.

Status:

Implemented.

2. Open Items

Monthly listings of open items (liabilities) were prepared for the bond account, however, the listings did not reconcile with the cash balance. As of February 29, 2000, the open items listing exceeded the cash balance by approximately \$280.

Recommendation:

The city of Foristell Municipal Division reconcile the monthly listing of open items to the balance in the bond account. In addition, the difference noted above should be investigated and any shortages reimbursed.

Status:

Implemented.

**VILLAGE OF NEW MELLE, MISSOURI
YEAR ENDED DECEMBER 31, 1998**

9. Municipal Court Division Controls and Procedures

- A. Receipt slips were not issued for all monies received and were not specifically printed for the municipal division or consecutively numbered.
- B. Monthly listings of open items (liabilities) were not regularly prepared and reconciled to the cash balance of the bond account.
- C. A record of municipal summonses assigned to officers and documenting the ultimate disposition of each summons was not maintained by the Police Department nor the municipal division.
- D. The duties of receiving, recording, disbursing, and depositing monies were not adequately segregated.

Recommendations:

The village of New Melle Municipal Division:

- A. Issue official prenumbered receipt slips for the monies collected, reconcile monies collected to the bank deposit, reconcile the composition of monies collected to the receipt slips and account for their numerical sequence.
- B. Prepare and retain a monthly open-item listing and reconcile this listing to the cash balance.
- C. Account for all summonses assigned to police officers and document the ultimate disposition of each summons.
- D. Ensure the duties of recording transactions are adequately segregated from cash custody, and perform and document periodic reviews of the accounting records maintained and reconciliations prepared.

Status:

- A. Partially implemented. The municipal division issues prenumbered receipt slips for fines and cost monies, but not for bonds. See MAR finding number 5.A.1.
 - B. Partially implemented. An open-item listing is prepared but not retained or reconciled to the cash balance monthly. See MAR finding number 5.A.2.
- C&D. Implemented.

**ELEVENTH JUDICIAL CIRCUIT
CITY OF ST. CHARLES, MISSOURI
MUNICIPAL DIVISION
TWO YEARS ENDED JUNE 30, 1994**

1. Missing Funds

- A. During the month of June 1994, numerous checks totaling \$1,829 were received and deposited by the municipal division for payment of fines and costs on tickets but were not recorded as received in the receipts journal. The case file records also indicated these cases were paid. These unrecorded checks were apparently substituted for cash receipts that were recorded but were not deposited.
- B. During our review of bond monies deposited, we noted one instance when a receipt was written for a \$200 bond but a corresponding deposit to the municipal division's bond escrow bank account could not be located.

Recommendation:

The city of St. Charles Municipal Division work with applicable law enforcement agencies to review the situation and take the necessary actions to obtain restitution of any misappropriated monies.

Status:

Implemented. The individual responsible was successfully prosecuted and convicted.

2. Receipt Procedures

- A. Receipt slips issued by the municipal division did not indicate the method of payments received.
- B. Receipts were not deposited into the city's bank account on a timely basis.
- C. The municipal division cashed employees' personal checks and bond refund checks from daily collections, therefore, causing receipts to not be deposited intact.
- D. There was little segregation of duties.
- E. There were several payments made on cases that were not receipted on the receipts journal, however, these payments were recorded in case files.

Recommendations:

The city of St. Charles Municipal Division:

- A. Indicate the method of payment on each receipt slip issued and total cash, checks, and money orders received to the composition of the bank deposit.
- B. Deposit all receipts daily or when accumulated receipts exceed \$100.
- C. Discontinue the practice of cashing employees' personal checks and bond refund checks with court monies.
- D. Establish an independent, documented periodic review of municipal division records.
- E. Record all receipts in the receipts journal.

Status:

A&

C-E. Implemented.

B. Partially implemented. Deposits were made more frequently; however, there were instances where some clerk's monies were not deposited daily. See MAR finding number 6.A.

3. Bond Procedures

- A. The Court Administrator picked up bond monies from the police department only once a week.
- B. The municipal division did not account for the numerical sequence of bond receipt slips.
- C. Receipt slips were not always prepared for bond monies received from other courts.
- D. The monthly listing of open items (liabilities) was not reconciled to the balance of monies held in trust. At June 30, 1994, open items exceeded the cash balance by \$991.
- E. The municipal division's bond account included bond receipts totaling \$1,200 which had been held over one year and twenty bonds totaling \$3,301 which had not been properly forfeited.

- F. There was no independent reconciliation of the amount of bonds collected by the police department, the amount of bonds turned over to the Court Administrator, and the amount of bonds deposited into the bond bank account.

Recommendations:

The city of St. Charles Municipal Division:

- A. Pick up bond monies from the police department and deposit them daily or when accumulated bonds exceed \$100.
- B. Account for the numerical sequence of police department bond receipt slips.
- C. Issue prenumbered receipt slips for all bond monies received and account for the numerical sequence.
- D. Reconcile the monthly open-items listing to the balance in the bank account.
- E. Forfeit any bonds for persons who failed to make the required court appearance, and attempt to locate those defendants who have a cash bond due back to them and remit the bond amount. Any bond monies remaining unclaimed should be remitted to the state in accordance with state law. Procedures should be established to routinely follow-up on cash bonds remaining on hand over a period of time.
- F. Establish an independent, documented reconciliation of bond records.

Status:

A. Not implemented. See MAR finding number 6.A.

B-F. Implemented.

4. Ticket Procedures

Neither the police department nor the municipal division maintained adequate records to account for traffic tickets, parking tickets, and summonses issued and their ultimate disposition. In addition, the summonses were not prenumbered.

Recommendation:

The city of St. Charles Municipal Division work with the police department to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets and summonses assigned and issued.

Status:

Not implemented. See MAR finding number 6.C.

5. Crime Victims' Compensation Fees

During the two years ended June 30, 1994, the city of St. Charles underpaid the state's portion of the CVC fee by \$1,221.

Recommendation:

The city of St. Charles Municipal Division ensure the city adjusts future CVC payments to the state for the underpayment of \$1,221.

Status:

Implemented.

6. Court Records

The police department did not retain the bond receipt slip books. In addition, one case file requested for review could not be located by the Court Administrator.

Recommendation:

The city of St. Charles Municipal Division retain all court case files and financial records.

Status:

Implemented.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

ELEVENTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

Organization

The Eleventh Judicial Circuit is composed of St. Charles County. The Honorable Lucy D. Rauch serves as Presiding Judge. There are eleven municipal divisions within the Eleventh Judicial Circuit. The city of O'Fallon Municipal Division is reported on separately. The city of Dardenne Prairie Municipal Division handled no cases during the audit period and, therefore, is not included in this report.

The municipal divisions are governed by Chapter 479, RSMo 2000, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau (VB) in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Operating Costs

The operating costs and court salaries of each municipal division are paid by the respective municipality.

Municipal Division Organization, Personnel, and Financial and Caseload Information

1. Town of Augusta

Organization

The Court Administrator is responsible for recording transactions, as well as handling collections. Fines and court costs are deposited into the town treasury and the Town Treasurer makes disbursements to the state monthly. Court is held once a month on the last Tuesday of the month between the months of April through December. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge
Court Clerk

John Livingston
Cindy Bueschler (1)

(1) Catie Boss served as Court Clerk until June 2004. Cindy Holland was appointed as Court Administrator in July 2004.

Financial and Caseload Information

	<u>Year Ended August 31,</u>	
	<u>2003</u>	<u>2002</u>
Receipts	\$23,046	12,542
Number of cases filed	201	275

2. City of Cottleville

Organization

The City Clerk serves as Court Administrator and is responsible for recording transactions as well as handling collections and disbursements. Fines and costs are deposited into the municipal division's fines and costs account. Fines and costs are disbursed to the city and state monthly. The city of Lake St. Louis police department collects bond monies. The police department transmits bonds to the Court Administrator daily. Bond monies are deposited into the municipal division's bond account pending disposition. Court is held once a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge Frank Conard (1)
City Clerk/Court Administrator Sandy Barklage

(1) Claude Knight served as Municipal Judge until May 2003.

Financial and Caseload Information

	<u>Year Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>
Receipts	\$137,098	124,256
Number of cases filed	1,413	1,558

3. City of Foristell

Organization

The Court Administrator and the Court Clerk are responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited into the court's fines and costs account. Fines and costs are disbursed to the city and state monthly. The police department and the Court Administrator collect bond monies. Bond monies collected by the police department are placed in a lockbox. The Court Administrator and Court Clerk retrieve the bond monies from the lockbox daily. Bond monies are deposited into the municipal division's bond account pending disposition. One dollar of every twelve collected for court costs is deposited in the municipal

division's Judicial Education Fund account up to the maximum jurisdictional limit. Court is held twice a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge	Joseph Porzenski
Court Administrator	Cindy Holland
Court Clerk	Cindy Kowalik

Financial and Caseload Information

	<u>Year Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>
Receipts	\$415,143	340,202
Number of cases filed	3,464	2,357

4. City of Lake St. Louis

Organization

The Assistant Court Administrator is responsible for collecting and recording transactions that are paid at the VB. The Assistant Court Administrator and a city employee are responsible for collecting transactions during court and the Court Administrator is responsible for recording these transactions. The Court Administrator transmits fines and court costs directly to the city finance department daily for deposit into the city treasury. Court costs are disbursed by the Finance Director to the state monthly. The police department collects bond monies and places them in a lockbox. The Court Administrator retrieves the bond monies from the lockbox daily. Bond monies are transmitted to the city finance department daily for deposit into city's bond account pending disposition. Court is held twice a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge – Division I	Dennis Chassaniol
Municipal Judge – Division II	Michael Frank (1)
Court Administrator	Mary Vance
Assistant Court Administrator	Mary Long

(1) Mr. Frank retired in June 2004. Judge Chassaniol is currently handling both divisions.

Financial and Caseload Information

	<u>Year Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
Receipts	\$387,977	464,398
Number of cases filed	2,223	3,798

5. City of New Melle

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited into the municipal division's fines and costs account daily. The police department collects bond monies and transmits these bond monies daily to the Court Clerk. Bond monies are deposited into the municipal division's bond account pending disposition. Fines, court costs, and bond forfeitures are disbursed to the city and state monthly. One dollar of every twelve collected for court costs is disbursed to the city for deposit in the city's Judicial Education Fund account up to the maximum jurisdictional limit. Court is held once a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge	Brad Cundiff
City Clerk/Court Clerk	Judith Anderson

Financial and Caseload Information

	<u>Year Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>
Receipts	\$50,415	57,579
Number of cases filed	384	598

6. City of St. Charles

Organization

The Court Administrator, assisted by four court clerks, is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury daily. The police department and court clerks collect bond monies. Bond monies collected by the police department are placed in a lockbox. A Court Clerk retrieves the bond monies from the lockbox twice a week. Bond monies are deposited into the municipal division's bond account pending disposition. Court is held weekly plus two additional nights a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge	Daniel Barklage
Court Administrator	Connie Struckhoff
Court Clerks	Michele Cork Lisa Thompson Cindy Dowell Kelly Bauer
Warrant Officer	Mike Schanughnessy

Financial and Caseload Information

	<u>Year Ended December 31,</u>	
	<u>2002</u>	<u>2003</u>
Receipts	\$1,187,722	1,120,948
Number of cases filed	17,066	20,503

7. City of St. Peters

Organization

Four court clerks are responsible for recording transactions as well as handling collections. The police department and Court Administrator collect bond monies. The Court Administrator retrieves the bond monies from the police department daily. Fines and court costs are deposited directly into the city treasury by the Court Administrator daily. Bond monies are deposited by the Court Administrator into the municipal division's bond account pending disposition. Court is held three times a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge	Donald Kohl
Court Administrator	Greg White
Court Clerks	Caroline Copeland Sandy Bennett Kay Cullen Carla Ottersbach

Financial and Caseload Information

	<u>Year Ended September 30,</u>	
	<u>2003</u>	<u>2002</u>
Receipts	\$1,379,900	1,327,345
Number of cases filed	19,255	20,488

8. City of Weldon Spring

Organization

The City Clerk serves as Court Clerk and is responsible for recording transactions as well as handling collections on court night. The City Administrative Assistant is responsible for handling collections at the VB. Fines and court costs collected are transmitted directly to the City Treasurer's office daily for deposit into the city treasury. Court is held once a month. Although it has not been formally established, a VB receives payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Claude Knight
City Clerk/Court Clerk	Melinda Kwiatkowski
City Administrative Assistant	Patricia Oldcroft

Financial and Caseload Information

	<u>Year Ended September 30, (1)</u>	
	<u>2003</u>	<u>2002</u>
Receipts	\$1,627	0
Number of cases filed	53	40

(1) Court was established in 2001. The first court date was June 4, 2002

9. City of Wentzville

Organization

The court clerks are responsible for recording transactions as well as handling collections. The police department collects bond monies and places them in a lockbox. The Court Administrator retrieves the bond monies from the lockbox daily. Fines and court costs are deposited directly into the city treasury daily. Bond monies are deposited by the Court Administrator into the municipal division's bond account pending disposition. Court is held three times a month. A VB has been established to receive payments of fines and court costs at times other than during court.

Personnel

Municipal Judge	Larry Nesslage
Court Administrator	Marcia Hoekel
Court Clerks	Diane Witte
	Barbara Schormann
	Theresa Reid
	Kimberly Ausburn

Financial and Caseload Information

	<u>Year Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>
Receipts	\$531,566	465,072
Number of cases filed	6,461	5,428

ELEVENTH JUDICIAL CIRCUIT
ORGANIZATION CHART

